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Rec'd: MARCH 13, 1963
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FROM: GUATEMALA CITY

TO: Secretary of State

NO: 551, MARCH 12, MIDNIGHT

OPERATIONAL IMMEDIATE

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REVIEWED BY [redacted] DATE 1 DEC 95
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[redacted] TOLD ME IN PRIVATE MEETING TONIGHT HE HAD RELUCTANTLY COME TO CONCLUSION ONLY WAY TO STOP AREVALO FROM BECOMING PRESIDENT WOULD BE FOR ARMY TO FORCE YDIGORAS OUT NOW AND GOVERN FOR YEAR OR SO WITH MILITARY JUNTA UNTIL SITUATION CLEANED UP. THIS WAS RELUCTANT DECISION BECAUSE OF HIS INBRED RESPECT FOR CONSTITUTIONAL SOLUTIONS. HE SAID WE WOULD RECALL THAT A YEAR AGO, DURING CRISIS, HE WAS IN FAVOR CONSTITUTIONAL SOLUTION, I.E. PUTTING DOWN DISORDERS AND KEEPING YDIGORAS IN OFFICE. HE ALSO GAVE ME CLEAR IMPRESSION THESE VIEWS WERE SHARED [redacted]

[redacted] SAID THAT NEITHER HE [redacted] NOR THE ARMY HAD ANY CONFIDENCE YDIGORAS WOULD, OR EVEN COULD KEEP AREVALO OUT. YDIGORAS'S CRYPTIC DECLARATION MADE FEW DAYS AGO TO [redacted] MORRIS ROSENBERG HELPED UNDERMINE THEIR CONFIDENCE. THE SITUATION HAD BECOME AGGRAVATED, AND THE DISILLUSIONMENT WITH YDIGORAS ON PART OF ARMY AND NON-COMMUNIST POLITICAL OPPOSITION HAD BECOME MORE DEEP SEATED BY ROBERTO ALEJOS'S HAVING BECOME "OFFICIAL" CANDIDATE. [redacted] SAID HE WAS CONVINCED AREVALO WOULD EASILY DEFEAT ALEJOS AT POLLS. HE BELIEVED WHATEVER ADVANTAGE GOVERNMENT MACHINE WOULD AFFORD ALEJOS WOULD BE MORE THAN OFFSET BY "KISS OF DEATH" OF BEING CANDIDATE OF DISCREDITED REGIME AND HOPELESSLY FRAGMENTED PARTY (REDENCION) AND BY ALEJOS'S OWN UNPOPULARITY. ALEJOS WAS ACCEPTABLE NEITHER TO THE LEFT, FOR HE WAS

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| | Noted & shown to Amb Bell | 3/19/63 | |

WAS CAPITALIST AND BUSINESSMAN, NOR TO RIGHT, WHO DISLIKED HIM FOR SHADY DEALS, ASSOCIATION WITH YDIGORAS, ETC. HE WAS ALSO CORDIALLY DISLIKED BY ARMY FOR NUMEROUS REASONS, NOT LEAST OF WHICH WAS HIS ROLE IN RETALHULEU TRAINING AND HIS SUBSEQUENT OPEN DECLARATION THAT U.S. AND GUATEMALAN OFFICERS HAD BEEN INVOLVED IN TRAINING THE INVASION TROOPS, IN CONTRADICTION GUATEMALAN ARMY STATEMENTS. THE VAUNTED GOVERNMENTAL MACHINE WAS SHOT THROUGH WITH AREVALO SYMPATHIZERS AND, ONCE BACK IN THE COUNTRY AND CAMPAIGNING, AREVALO WOULD PICK UP STEAM. THERE WOULD BE NO CONSOLIDATED FORCES THAT COULD EFFECTIVELY BLOCK HIM AND EFFORTS TO DO SO MIGHT LEAD TO CIVIL WAR.

[redacted] INSISTED THERE WAS NO SOLUTION IN SIGHT WITH YDIGORAS IN PRESIDENCY. EVEN IF YDIGORAS COULD BE FORCED OR PERSUADED REALLY TO BLOCK AREVALO'S COMING BACK, THERE WAS NO GUARANTEE, AS YDIGORAS HIMSELF HAS POINTED OUT, THAT AREVALO COULD NOT BE SPIRITED IN. ONLY POSITIVE WAY TO STOP AREVALO WOULD BE TO CHANGE BASIC SITUATION. THUS WITH YDIGORAS REPLACED BY MILITARY JUNTA BEFORE AREVALO CAME BACK, AND JUNTA'S HAVING ANNOUNCED SCHEDULED ELECTIONS WERE CANCELLED, THERE WOULD BE NO REASON FOR AREVALO TO RETURN. AND IN THAT SITUATION AREVALO WOULD NOT CARE RETURN ANYHOW. B1,G

SUCH A NEW MILITARY GOVERNMENT WOULD [redacted] IMMEDIATELY ANNOUNCE AND CARRY OUT FAR-REACHING ECONOMIES AND REFORMS, WOULD PUT GOOD MEN IN MINISTRIES, AND WOULD ATTEMPT PROVIDE PROBITY AND EFFICIENCY. [redacted] SAID HE HAD IMPRESSION ARMY WAS UNITED IN ITS DETERMINATION TO PREVENT RETURN TO COUNTRY OF AREVALO AND WAS REMARKABLY UNANIMOUS IN SHARING HIS OWN VIEW THAT ONLY SURE WAY TO EFFECT THIS WAS BY REMOVING YDIGORAS NOW. B1,G B1,EC

[redacted] B1,E

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[redacted] DID NOT, HOWEVER, SAY A DECISION HAD BEEN MADE TO ACT. B1,E0
HE IMPLIED NO SUCH MOVE WOULD BE MADE UNTIL ARMY WAS QUITE CERTAIN IT WOULD BE SUCCESSFUL, NOT ONLY IN BRINGING OFF THE COUP BUT IN HAVING SUFFICIENT RESOURCES TO GET OVER FIRST HURDLES IN CASE OF TROUBLE, UPRISINGS, ETC. I GATHERED HE FELT THE ARMY GROUP, BEFORE ACTING, WOULD WANT SOME KIND OF ASSURANCE FROM THE UNITED STATES THAT WE WOULD NOT LOOK ASKANCE AT THE ACTION AND WOULD PROBABLY WANT AN INDICATION U.S. FINANCIAL SUPPORT TO ASSURE FISCAL STABILITY WOULD BE FORTHCOMING IF NEEDED. HE OBSERVED THAT IN HIS VIEW FISCAL PROBLEM OF GUATEMALA WAS NOT TOO THORNY AND THAT ECONOMIES AND HOUSECLEANING EFFECTED BY NEW GOVERNMENT MIGHT BE ENOUGH.

SCP-3.

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2. Trouble Rumored Again

Even before New Year's Day, talk was again rife about impend[illegible] coups against the Government (WEEKA 51). Neither the Embassy nor [illegible] has yet heard anything very substantial, although the rumors break down roughly into two categories: 1) Action by Army elements who were associated with but did not revolt with the Air Force individuals on November 25, and 2) that Minister of Defense Peralta will in some manner be persuaded to lend his prestige and rank to a coup attempt. In addition the students are restless again, this time over the Consejo Superior Universitario's decision to charge $15 a month tuition to San Carlos' students in order to meet expenses. (CONFIDENTIAL)

Comment: There is uncertainty in the air and many are convinced there will be trouble this month. Idígoras for his part moved rapidly to settle the communications' workers strike (WEEKA 52) and to head off a threatened teachers' walk-out over salaries. The Embassy believes that the Minister of Defense is probably the key figure. If he remains loyal, as he has in the past, the chance of a successful coup is slim. Peralta would probably be loath to participate in a coup, unless he felt absolutely certain of its success and that there were no alternative to block Arévalo. [illegible] (CONFIDENTIAL)